

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE

WEDNESDAY, JANUARY 16, 2008

3:00 P.M.

IN THE MARY BRENNAN BOARD ROOM,

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Operations and Capital Committee was called to order by Chairman, James Forte, at 3:00 p.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte; Robert D. Sangster; Michael Traficante; Don Pillsbury (Ex-Officio Member).

BOARD MEMBER PRESENT: Kathleen Hittner, M.D.

ALSO PRESENT: Peter Frazier, Interim President and CEO; Brian Schattle, Senior Vice President of Finance and CFO; Ann Clarke, Senior Vice President of Planning, Engineering and Environment; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

Mr. Forte moved that the minutes of the Operations and Capital Committee Meeting of December 19, 2007 be approved as amended. Mr. Sangster seconded the motion. The motion was passed unanimously.

2. Report from Chair, Operations and Capital Committee:

Mr. Forte welcomed Mr. Kevin Dillon to the meeting. Mr. Dillon will be joining the Corporation as President and CEO on February 25, 2008.

Mr. Forte commended the snow removal crews for their hard work during the recent storms.

A motion was made by Mr. Forte and seconded by Mr. Sangster to amend the agenda to include an Open Forum. The motion was passed unanimously.

3. Open Forum:

Mr. Forte asked if anyone wanted to speak in Open Forum.

Mr. John Oradona, representing the Rhode Island Foundation for Fair Contracting (RIFFC) addressed the Committee on certain issues concerning award of two contracts that were on the agenda for

consideration and approval by the Committee. Mr. Oradona's comments focused on award of the contract for the Block Island New Terminal Building and Aircraft Hangar to TracBuilders as RIFFC had alleged concerns with the company's experience, self-performance and project estimating. Mr. Oradona also commented on the award of the contract for the Customer Hangar at Quonset Airport to Alhambra Building Company as RIFFC had alleged concerns with issues related to OSHA violations, wage violations, minority contractor compliance, employees and self-performance. Mr. Oradona provided written material on these issues to the Board. Mr. Thomas Savoie, representing the Carpenters and Building Trades also provided comments on alleged quality of work issues related to Alhambra.

Mr. Bill Tracey representing TracBuilders addressed the comments made by Mr. Oradona. Mr. Tracey refuted the comments, and discussed his company's qualifications for the project.

Mr. Don Ihlefeld representing Alhambra Building Company addressed the comments made by Mr. Oradona and Mr. Savoie. Mr. Ihlefeld refuted the comments, and discussed his company's qualifications for the project.

Mr. Forte thanked Mr. Oradona, Mr. Savoie, Mr. Tracey and Mr. Ihlefeld for their comments and reported that their comments will be taken into consideration.

4. Operations and Maintenance Report:

Mr. Frazier gave the report in Mr. Edwards' absence.

Mr. Frazier reported that RIAC, TSA, RIEMA and other agencies had conducted a debrief on the Air Wisconsin incident. Mr. Frazier noted that there will also be internal briefings with the tenants and RIAC staff.

Mr. Frazier reported that work on the new Airfield Maintenance Facility is substantially complete.

Mr. Frazier reported that the trial of the Foreign Object Detection (FOD) radar system is coming to an end. The company who supplied the radar, QinetiQ, will be making a presentation to the Airline Affairs Committee next week.

5. General Aviation Committee Report:

Mr. Tibbetts reported that the obstruction light project at North Central Airport is essentially complete. Mr. Tibbetts gave an update on leased space at Westerly Airport.

6. Discussion Item:

(a) Presentation from BuildRI.

Mr. Greg Mancini, representing BuildRI, gave a presentation on the BuildRI program and specifically on the partnership between Building Futures and the Rhode Island Building and Construction Trades Council to recruit, assess and train low-income individuals in urban areas and place them in union apprenticeship programs. Mr. Andrew Cortes representing Building Futures provided more specific information on the training program and the importance of partnerships to the success of the program. Mr. Forte thanked Mr. Mancini and Mr. Cortes for their presentation.

(b) Discussion of North Central Airport Easements and Part 77.

There was no discussion of this item.

7. Action Items:

After staff presentations, Mr. Sangster moved to approve items (a) and (b). The motion was seconded by Mr. Traficante. The motion was passed unanimously.

(a) Consideration of and Action Upon Approval of a Consultant Task Order for the Independent Feasibility Report for the Proposed Fiscal Year 2008 Bond Issue.

WHEREAS, the Rhode Island Airport Corporation (RIAC) intends to finance several Capital Improvement Program Projects by requesting the Rhode Island Economic Development Corporation (EDC) to issue up to \$93,440,000 in Airport Revenue Bonds (the proposed Fiscal Year 2008 Bond Issuance); and

WHEREAS, RIAC is required to undergo an Independent Feasibility Report for the proposed financing; and

WHEREAS, the Board of Directors approved the selection of Ricondo and Associates, Inc. (Ricondo) as Airport Consultants at the December 2005 Board of Directors meeting; and

WHEREAS, the completion of an Independent Feasibility Report is contemplated under the terms of the Professional Service Agreement (PSA) with Ricondo and Associates; and

WHEREAS, Ricondo has provided RIAC a scope and fee for the completion of an Independent Feasibility Study in the amount of \$107,300; and

WHEREAS, this task will initially be funded with General Purpose funds to be reimbursed from bond proceeds as a cost of issuance upon completion of the bond issue.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute a Consultant Task Order with Ricondo and Associates, Inc. for the completion of an Independent Feasibility Report as part of the proposed Fiscal Year 2008 Bond Issuance in an

amount not-to-exceed \$107,300, subject to Board approval.

(b) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement for Insurance Brokerage Services.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at the six Rhode Island airports; and

WHEREAS, it has been determined that there is a need for Insurance Brokerage Services; and

WHEREAS, RIAC provides funding for these services through its Operating and Maintenance (O & M) budget annually; and

WHEREAS, RIAC issued a Request for Proposals (RFP) for Insurance Brokerage Services in December 2007; and

WHEREAS, RIAC received submittals from three firms Aon Risk Services, Inc. of Rhode Island (Aon), Marsh Inc., and Willis of Massachusetts; and

WHEREAS, RIAC formed a Selection Committee consisting of Peter Frazier, Interim President and CEO; Brian Schattle, Chief Financial Officer; Jason Doyle, Corporate Controller and Mark Klevanosky, RIAC's Insurance Consultant; and

WHEREAS, all three firms that submitted proposals were invited to make a formal presentation to the Selection Committee and respond to inquiries regarding their submittals on January 10, 2008; and

WHEREAS, the Selection Committee interviewed the firms on January 10, 2008 and ranked Aon as the top firm based on the selection criteria; and

WHEREAS, staff recommends award of a one year Professional Services Agreement with two additional one year extensions at the discretion of RIAC to Aon Risk Services, Inc. of Rhode Island.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorize the President and CEO, or his designee, to execute a Professional Services Agreement with Aon Risk Services, Inc. of Rhode Island to provide Insurance Brokerage Services in an amount of \$52,500 per year for one-year with two additional one-year extensions at the discretion of RIAC, subject to Board approval.

(c) Consideration of and Action Upon Approval of a Task Order for Fenceline Maintenance and Repair at Block Island Airport.

Ms. Clarke gave an overview of this issue. The current fencing has

been damaged or is falling down due to encroaching vegetation and will be replaced with a combination of 8 foot and 10 foot black vinyl coated fencing. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to execute a Task Order with Citiworks, Inc., to provide all labor, materials and installation for the fenceline replacement at Block Island Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the current fencing at Block Island Airport has been damaged or is falling down due to encroaching vegetation; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into Professional Services Agreements (PSA) with Statewide Fence Builders, Inc., Citiworks, Inc., and COSCO Fencing & Guardrail to provide on-call fence materials and repair services; and

WHEREAS, RIAC solicited estimates to replace 3,800 linear feet of fence from the three on-call fence materials and repair services contractors; and

WHEREAS, the estimate from Citiworks, Inc. to furnish and install 3,800 linear feet of 10 foot black vinyl clad fencing in the amount of \$170,962 was the lowest estimate received; and

WHEREAS, the approved Fiscal Year 2008 Operating Capital budget does not include funding for this project; and

WHEREAS, the expenditures associated with this project will be funded as an unbudgeted project with General Purpose Funds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute a Task Order with Citiworks Inc. to provide labor, materials and installation services for the Fenceline Replacement at Block Island Airport in an amount not-to-exceed \$170,962, subject to Board approval.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval of a Change Order to Increase the Guaranteed Maximum Price (GMP) Agreement for the Terminal Security Projects at T. F. Green Airport.

Mr. Mini gave an overview of this change order. Mr. Mini noted that the items in this change order are related to unforeseen field conditions and third party requirements and are critical path items that will affect the overall substantial completion date of the project. These items have been previously identified by RIAC and Skanska as

potential schedule impacts and every effort will be made to minimize their effects. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to execute a Change Order with Skanska USA Building, Inc., to extend the substantial completion date of the Guaranteed Maximum Price (GMP) Agreement to May 21, 2008, subject to Board approval.

A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Guaranteed Maximum Price Agreement (GMP) with Skanska USA Building, Inc. (Skanska) to provide Construction Management at Risk Services for the Terminal Security Project; and

WHEREAS, the Terminal Security Project is included in the approved RIAC Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$83.532 million; and

WHEREAS, there have been several Change Orders related to unforeseen field conditions and third party requirements that had the potential to affect the overall substantial completion date; and

WHEREAS, RIAC and Skanska have previously identified these items as potential schedule impacts and made every effort to minimize their affects; and

WHEREAS, since issuing the GMP, RIAC has authorized sixty-three change orders totaling \$3,007,361, bringing the total amount of the GMP to \$71,170,061 before this proposed Change Order; and

WHEREAS, RIAC approved a Change Order to revise the contract substantial completion date from December 8, 2007 to February 1, 2008 in the amount of \$89,450, while final negotiations were taking place; and

WHEREAS, RIAC staff and Skanska have negotiated an extended substantial completion date of the Guaranteed Maximum Price (GMP) Agreement to May 21, 2008 for the amount of \$138,216.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to execute a Change Order with Skanska USA Building, Inc. to extend the substantial completion date of the Guaranteed Maximum Price (GMP) Agreement to May 21, 2008 for the amount of \$138,216, subject to Board approval.

The motion was passed unanimously.

(e) Consideration of and Action Upon Approval of a Task Order Amendment for the New Terminal Building and Aircraft Hangar

Relocation Project at Block Island Airport.

Mr. Shihadeh gave an overview of this amendment. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to execute a Task Order Amendment with Torrado for the new terminal building and hangar relocation project at Block Island Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Torrado Architects (Torrado) to provide on-call architectural and engineering services; and

WHEREAS, RIAC has received a scope and fee from Torrado to provide construction administration services for the New Terminal Building and Aircraft Hangar Relocation Project at Block Island Airport in the amount of \$404,000 and staff is currently conducting negotiations; and

WHEREAS, this amendment will be funded through the 2005 Airport Revenue Bond Fund and future airport revenue bonds; and

WHEREAS, RIAC and the Rhode Island Economic Development

Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute a Task Order Amendment with Torrado for the New Terminal Building and Hangar Relocation Project at Block Island Airport in the amount of \$404,000, subject to Board approval.

The motion was passed unanimously.

(f) Consideration of and Action Upon Approval of a Consultant Contract Amendment for the New Customer Hangar at Quonset Airport.

Mr. Shihadeh gave an overview of the contract amendment. There was specific discussion of the design work and it was noted that staff is satisfied with the work completed on this project to date. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to execute a Consultant Contract Amendment with EarthTech for the new customer hangar project at Quonset Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with EarthTech Architecture (EarthTech) to provide design and construction management services related to the construction of an aircraft hangar, FBO terminal and a two-story office facility in the amount of \$463,748.37 to perform the design and bid phase services of the project; and

WHEREAS, RIAC has received a scope and fee from EarthTech to provide construction administration services for the New Customer Hangar Project at Quonset Airport in the amount of \$500,000 and staff is currently conducting negotiations; and

WHEREAS, this contract will be funded through the 2005 Airport Revenue Bond Fund and future airport revenue bonds; and

WHEREAS, RIAC and the Rhode Island Economic Development Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute a Consultant Contract Amendment with EarthTech for the New Customer Hangar Project at Quonset Airport in the amount of \$500,000, subject to Board approval.

The motion was passed unanimously.

(g) Consideration of and Action Upon Approval of a Construction Contract for the New Terminal Building and Aircraft Hangar Relocation Project at Block Island Airport.

Mr. Shihadeh gave an overview of the contract. There was discussion of this contract and it was noted that due diligence was exercised in the evaluation process relative to alleged concerns raised at the December committee meeting. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to execute a Construction Contract with TracBuilders, Inc., for the new terminal building and hangar relocation project at Block Island Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution. The motion was passed by two in the affirmative with one member voting no. Those votes are as follows:

**YEAS: James Forte
Robert D. Sangster**

NAY: Michael Traficante

ABSTAIN: None

WHEREAS, the New Terminal Building and Hangar Relocation Project is included in the approved Fiscal Year 2008 Rhode Island Airport Corporation (RIAC) Capital Improvement Program (CIP) budget in the amount of \$6,600,000; and

WHEREAS, a competitive bidding process was undertaken according to RIAC's procurement rules for the New Terminal Building and Hangar Relocation Project at Block Island Airport; and

WHEREAS, on November 21, 2007, bids were received from six interested firms; and

WHEREAS, the firm of Torrado Architects (Torrado), serving as RIAC's design consultant for this project, determined that TracBuilders, Inc. (Trac) submitted the lowest responsive and responsible bid; and

WHEREAS, RIAC staff recommended award of this contract to Trac

at the December 2007 Operations and Capital Committee (Committee) Meeting; and

WHEREAS, the Committee tabled the motion and requested that staff further evaluate certain information related to Trac's ability to complete a project of this scope; and

WHEREAS, Torrado and RIAC performed additional analysis based on the Committee's concerns and reaffirms their recommendation to award this contract to Trac; and

WHEREAS, this contract will be funded through the 2005 Airport Revenue Bond Fund and future airport revenue bonds; and

WHEREAS, RIAC and the Rhode Island Economic Development Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute a Construction Contract with TracBuilders, Inc. for the New Terminal Building and Hangar Relocation Project at Block Island Airport in the amount of

\$5,194,000, subject to Board approval.

(h) Consideration of and Action Upon Approval of a Construction Contract for the New Customer Hangar Project at Quonset Airport.

Mr. Shihadeh gave an overview of the contract. There was discussion of this contract and it was noted that due diligence was exercised in the evaluation process relative to alleged concerns raised at the December committee meeting. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to execute a Construction Contract with Alhambra Building Company for the new customer hangar project at Quonset Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution. The motion was passed by two in the affirmative with one member voting no. Those votes are as follows:

YEAS: James Forte

Robert D. Sangster

NAY: Michael Traficante

ABSTAIN: None

WHEREAS, the New Customer Hangar project is included in the approved Rhode Island Airport Corporation (RIAC) Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$7,205,415; and

WHEREAS, a competitive bidding process was undertaken according to RIAC's procurement rules for the New Customer Hangar Project at Quonset Airport; and

WHEREAS, on November 27, 2007, bids were received from seven interested firms; and

WHEREAS, the firm of EarthTech Architecture (EarthTech), serving as RIAC's design consultant for this project, determined that Alhambra Building Company (Alhambra) submitted the lowest responsive bid; and

WHEREAS, RIAC staff recommended award of this contract to Alhambra at the December 2007 Operations and Capital Committee (Committee) Meeting; and

WHEREAS, the Committee tabled the motion and requested that staff further evaluate certain information related to Alhambra's safety record, compliance with prevailing wage requirements, workmanship and ability to complete a project of this scope; and

WHEREAS, Earthtech and RIAC performed additional analysis based on the Committee's concerns and reaffirms their recommendation to award this contract to Alhambra; and

WHEREAS, this contract will be funded through the 2005 Airport Revenue Bond Fund and future airport revenue bonds; and

WHEREAS, RIAC and the Rhode Island Economic Development Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute a Construction Contract with Alhambra Building Company for the New Customer Hangar Project at Quonset in the amount of \$5,916,000, subject to Board approval.

8. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for Wednesday, February 20, 2008 at 3:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode

Island.

9. Adjournment:

Mr. Traficante moved to adjourn at approximately 4:06 p.m. Mr. Sangster seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

**James C. Forte, Chairman
Rhode Island Airport Corporation
Operations and Capital Committee**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
OPERATIONS AND CAPITAL COMMITTEE MEETING
JANUARY 16, 2008**

NAME	AFFILIATION
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Doug Dansereau	RIAC
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Bruce Wilde	RIAC
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Brenda Pope	RIAC
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Darrell Watson	RIAC
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Michael Mini	RIAC
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Ahmed Shihadeh	RIAC
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Lia Benevides	RIAC
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Beth Tetreault	RIAC
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Steve Cahill	RIAC
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Joe Levesque	RIAC
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Eric Seabury	RIAC
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Kevin Dillon Orlando Airport Authority

Sue Pillsbury RIPA

Steve Tibbetts Landmark Aviation

John Orabona RI Foundation for Fair Contracting

Bill Tracey Trac Builders

Michael Sabatoni RI Building Trades

Greg Mancini Build RI

Ron Coia Build RI

Andrew Cortes Building Futures

Rob Marcelles Build RI

Don Ihlefeld Alhambra Building Co.

Barbara Ihlefeld Alhambra Building Co.

Thomas Savoie Carpenters Local 94

Michael Nelson Carpenters Local 94

Tom Maron Maron Construction

David Maron Maron Construction

Bill Case Fullerton and Friar

Ken Fullerton Fullerton and Friar

Robert Goff New England Parking

Michael Zaram Citizen